

DECISION MEMORANDUM

TO: COMMISSIONER ANDERSON
COMMISSIONER HAMMOND
COMMISSIONER LODGE
COMMISSION SECRETARY
LEGAL
WORKING FILE

FROM: JOHAN E. KALALA-KASANDA
MICHAEL DUVAL

DATE: MARCH 28, 2023

RE: IN THE MATTER OF SYRINGA NETWORKS, LLC APPLICATION FOR
THE 2022 BROADBAND EQUIPMENT TAX CREDIT;
CASE NO. SZ9-T-23-01.

BACKGROUND

In 2001, House Bill 377 was enacted authorizing income tax credit for the installation of qualifying broadband infrastructure in Idaho. *Idaho Code* § 63-3029B(3)(a)(ii). In particular, Section 63-3029I allows a taxpayer to receive an investment tax credit for eligible broadband equipment installed during a calendar year.

Qualified broadband equipment is defined as “those network facilities capable of transmitting signals at a rate of at least 200,000 bits per seconds (bps) to a subscriber and at least 125,000 bps from a subscriber.” *Idaho Code* § 63-329I(3)(b). If the equipment is installed by a telecommunications carrier, it must also be “necessary to the provision of broadband services and an integral part of a broadband network.” *Idaho Code* § 63-3029I(3)(b)(i). To be eligible for the tax credit, the taxpayer must obtain from the Commission an order confirming that the installed equipment meets the statutory definition of qualified broadband equipment. Procedural Order No. 28784 and *Idaho Code* § 63-3029I(4). Once the Commission has determined the installed equipment is eligible for the broadband equipment tax credit, an order along with the original Application is forwarded to the Idaho Tax Commission.

THE APPLICATION

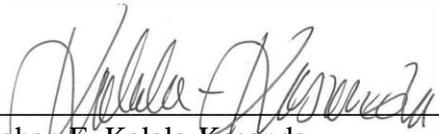
On February 23, 2023, the Commission received an Application from Syringa Networks, LLC. (“Syringa” or “Company”), seeking approval of the equipment for the broadband tax credit installed and put into operation during calendar year 2022. On March 06, 2023, the Company submitted an Amended Application in compliance with Commission’s Order No. 35297 in Case No. GNR-T-21-10. In the Application, Syringa lists the investments associated with its fiber optic facilities, equipment, and engineering connected with the broadband network. The Company represents that “the list of installed equipment is necessary to the provision of broadband service and is an integral part of the broadband networks.” Furthermore, the Company discloses that its broadband network transmits data at a minimum rate of 1.5 MB per second or 12,000,000 bits per second for both upload and download. This is the transmission speed available to its customers. This rate meets the statutory requirements pursuant to *Idaho Code* § 63-3029I. Syringa invested approximately \$1,930,095.92 in 2022 in qualifying broadband equipment that it confirms is integral to the broadband network.

STAFF REVIEW AND RECOMMENDATION

Staff reviewed and audited the list of proposed broadband equipment and believes the identified equipment qualifies for the investment tax credit pursuant to Order No. 35297 and *Idaho Code* § 63-3029I(3)(b). Staff, therefore, recommends that the Commission issue an order confirming the equipment is qualified broadband equipment and forward the approving order along with a copy of the Application to the Idaho Tax Commission.

COMMISSION DECISION

Does the Commission wish to issue an order confirming the equipment identified in Case No. SZ9-T-23-01 is qualified broadband equipment as defined in *Idaho Code* § 63-3029I(3)(b) and forward it to the Idaho Tax Commission?



Johan E. Kalala-Kasanda